

PUBLIC DISCLOSURE

July 16, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

ENTERPRISE BANK AND TRUST COMPANY

222 MERRIMACK STREET
LOWEL, MA 02090

DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Enterprise Bank and Trust Company** prepared by the Massachusetts Division of Banks, the institution's supervisory agency, as of **JULY 10, 2001**. The Division evaluates performance in the assessment area(s), as they are defined by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00.

INSTITUTION'S CRA RATING: This institution is rated "Outstanding."

Enterprise Bank's lending data indicate that the vast majority of the bank's small business and HMDA-reportable loans were originated inside the assessment area. Of these loans, an exceptional number of both small business and HMDA-reportable loans were originated in low and moderate-income census tracts.

The majority of small business loans were made to businesses with gross annual revenues of \$1 million or less. Most of the small business loans were for loan amounts less than or equal to \$100,000. The bank's HMDA-reportable loans showed a good distribution among low and moderate-income borrowers. Additionally, the bank has a high level of community development loans and has made good use of innovative or flexible lending programs.

Enterprise Bank has made no formal qualified investments, however they have achieved a good number of charitable donations.

Enterprise Bank's management and employees have achieved a high level of involvement with a large number of community organizations within their assessment area, and have assisted a large number of low to moderate-income individuals as a result of this involvement.

LENDING, INVESTMENT, AND SERVICE TEST TABLE

The following table indicates the performance level of **Enterprise Bank and Trust Company, Lowell, Massachusetts**, with respect to the lending, investment, and service tests.

PERFORMANCE TESTS Enterprise Bank and Trust Company			
Performance Levels	Lending Test*	Investment Test	Service Test
Outstanding	x		x
High Satisfactory		x	
Satisfactory			
Needs to Improve			
Substantial Non-Compliance			

*Note: The Lending Test is weighed more heavily than the Service and Investment Tests when arriving at an overall rating.

DESCRIPTION OF INSTITUTION

Enterprise Bank and Trust Company (Enterprise Bank) is a state-chartered, publicly owned commercial institution with total assets of approximately \$597,797,000 as of March 31, 2001. The bank is primarily a commercial and commercial real estate lender with approximately 66.1 percent of its \$325,611,000 loan portfolio comprised of real estate loans secured by non-farm, nonresidential properties; and commercial and industrial loans. Refer to the following table for a complete breakdown of the bank's loan portfolio.

Loan Portfolio Composition

Loan Type	Amount (\$ 000s)	Percent
One to Four-Family Residential Mortgages	56,957	17.5
Commercial Real Estate	121,358	37.3
Construction and Land Development	21,256	6.5
Home Equity Lines of Credit	22,430	6.9
Multifamily (Five or more) Residential	2,221	0.7
Commercial and Industrial Loans	93,719	28.8
Other	7,670	2.3
Total	325,611	100.0

Source: March 31, 2001 Call Report

Enterprise Bank's main office is headquartered in Lowell, Massachusetts. The bank also operates nine other full service offices, located primarily in the Lowell and Fitchburg-Leominster Metropolitan Statistical Areas.

The bank currently offers a variety of credit products throughout the assessment area, including conventional residential mortgages, commercial real estate loans, commercial and industrial loans, mortgages on multifamily residential properties and a variety of consumer credit products. The bank also offers numerous deposit services for consumers and businesses.

There are no financial or legal impediments that would impact this institution's ability to meet community credit needs in a safe and sound manner.

The Federal Deposit Insurance Corporation (FDIC) previously examined the bank, for compliance with the Community Reinvestment Act, on March 29, 1999. The examination resulted in a CRA rating of Satisfactory. The previous Massachusetts Division of Banks evaluation dated February 13, 1998 resulted in a CRA rating of Outstanding.

DESCRIPTION OF ASSESSMENT AREA

Demographic and Economic Data

Enterprise Bank and Trust Company has designated two separate assessment areas. One is comprised of nine towns located in the Boston MA-NH and Lowell MA-NH Metropolitan Statistical Areas (MSAs). The other assessment area is comprised of two towns located in the Fitchburg-Leominster Metropolitan Statistical Area (MSA).

All of the communities within both assessment areas are within the Boston Consolidated Metropolitan Statistical Area (CMSA). For the purposes of this examination the bank's two assessment areas will be combined. Therefore, the bank's assessment area is defined as the eleven Massachusetts communities of Chelmsford, Billerica, Dracut, Tewksbury, Westford, Lowell, Tyngsborough, Dunstable, Littleton, Leominster and Fitchburg. The area is located in the Boston MA-NH, Lowell MA-NH and Fitchburg-Leominster Metropolitan Statistical Area (MSAs).

The majority of this delineation is located within the Lowell MA-NH Metropolitan Statistical Area (MSA); namely, the communities of Chelmsford, Billerica, Dracut, Tewksbury, Westford, Lowell, Tyngsborough and Dunstable. The communities of Leominster and Fitchburg are located in the Fitchburg-Leominster Metropolitan Statistical Area. The remaining community of Littleton is located in the Boston MSA.

Enterprise Bank's assessment area meets the requirements of the CRA regulation. There are 66 census tracts within the 11 towns that comprise the bank's assessment area. Of these census tracts 7 are designated as low-income, 18 as moderate-income, 31 as middle-income, and 9 as upper-income.

It should be noted that one of the census tracts is designated as not applicable (NA). This census tract is located in the city of Fitchburg and does not contain any housing units and therefore is not included in the analysis throughout this report. The following table presents further demographic information.

Selected Housing Characteristics by Income Category of the Geography							
Geographic Income Category	Percentage						Median Home Value (\$)
	Census Tracts	Households	Housing Units	Owner-Occupied	Rental Units	Vacant Units	
Low	10.6	5.5	5.8	0.9	13.0	13.7	88,590
Moderate	27.3	21.6	22.4	12.8	36.5	34.7	114,720
Middle	47.0	57.2	56.6	65.1	44.4	43.3	146,623
Upper	13.6	15.7	15.2	21.2	6.1	8.3	188,764
NA	1.5	0.0	0.0	0.0	0.0	0.0	0
Total or Median	100.0	100.0	100.0	100.0	100.0	100.0	134,674

Source: U.S. Census

According to 1990 census data the total population of the assessment area was 340,004.

As mentioned previously, the assessment area is located in the Boston MA-NH, Lowell MA-NH and Fitchburg-Leominster MSAs. The following table depicts the Department of Housing and Urban Development (HUD) Estimated Median Family Household Incomes (FHI) for each of these MSAs.

MSA	1999	2000	2001
Fitchburg-Leominster	\$50,700	\$53,100	\$57,200
Boston MA – NH	\$62,700	\$65,500	\$70,000
Lowell MA – NH	\$61,800	\$64,900	\$70,200

Among the businesses located within the assessment area, 9.0 percent are located in low-income census tracts; 15.1 percent are located in moderate-income tracts; 54.3 percent are located in middle-income tracts; and 21.6 percent are located in upper-income census tracts.

A portion of the City of Lowell is designated as an Enterprise Community by the Department of Housing and Urban Development (HUD). Five low-income census tracts and three moderate-income census tracts make up the Enterprise community. The purpose of this designation is to provide economic development in an area with unemployment and poverty. This designation has a major impact for the City of Lowell in terms of job creation and neighborhood revitalization. Additionally, it assists business development by allowing substantial tax benefits to businesses that locate or hire within the Enterprise Community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Enterprise Bank's Lending Test performance was rated an overall "Outstanding." The institution's lending efforts are rated under seven performance criteria: Lending Activity, Geographic Distribution, Borrower Characteristics, Community Development Lending, Innovative or Flexible Lending Practices, Fair Lending, and Loss of Affordable Housing.

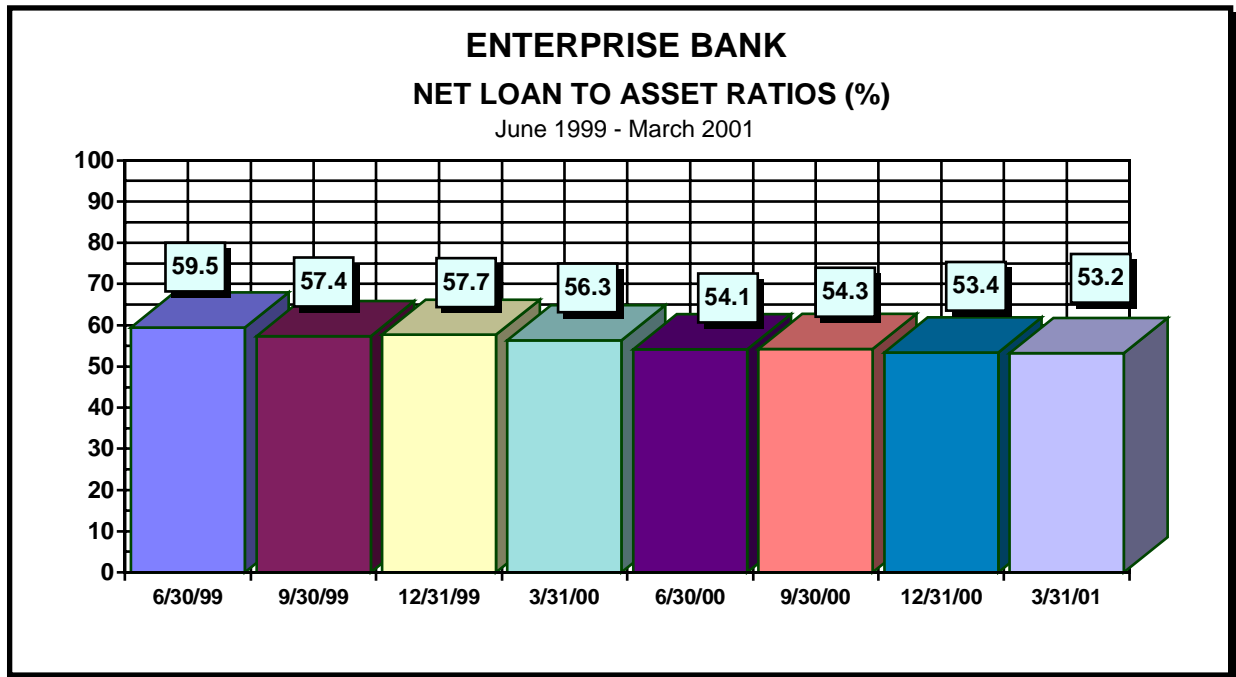
The bank has demonstrated an exceptional level of small business lending within its assessment area. The penetration of lending in low- and moderate-income geographies as well as lending to businesses with annual revenues of less than \$1 million exceeded performance levels of the aggregate and demonstrated a strong willingness to meet the credit needs of small businesses in the assessment area. This rating is also based upon the bank's good performance in residential lending in low- and moderate-income census tracts, as well as lending to low- and moderate-income borrowers. Enterprise Bank continues to originate community development loans at a very good level. The bank has provided financing for affordable housing, economic development, small businesses, and community service organizations. The following information details the data compiled and reviewed, as well as conclusions on the bank's performance.

Scope of Evaluation

A review of Enterprise Bank's HMDA-reportable loans and small business loans was conducted during this examination. Small Business loans were reviewed for the period of 1999, 2000 and year-to-date 2001 through April 30th. Residential loans were reviewed for the period of 1999, 2000 and year-to-date through March 31st. The difference in the time periods used stems from the availability of the data at the time of the examination.

I. Lending Activity

As of March 31, 2001, Enterprise Bank had assets totaling approximately \$597,797,000 as reported in the quarterly FFIEC Call Report. Over the last eight quarters, the bank's assets have increased by \$218,712,000 or 57.7 percent. The following table details the net loan to asset ratios for the period under review.



Source: FFIEC Call Reports

During the period from June 30, 1999 to March 31, 2001, the bank's dollar amount of net loans has increased by 41.1 percent. This is less than the overall percentage of asset growth, resulting in a gradual decrease in the bank's loan to asset ratio. This ratio ranged from 59.5 percent to 53.2 percent with an average of 55.7 percent. The average net loan to deposit ratio, as of the previous state examination, was 50.5 percent.

The following table compares Enterprise Bank's net loan to asset ratio with that of other area institutions.

Institution	Net Loan To Asset Ratio 12/31/2000
Lowell Five Cents Saving Bank	54.9
Enterprise Bank	53.4
Lawrence Savings Bank	52.9

Further analysis was done on the bank's net loan to deposit ratio for the eight quarters under review. During this time, deposit growth has slightly outpaced net loan growth with an increase of 44.6 percent and 41.1 percent, respectively. The net loan to deposit ratio has decreased slightly and the average ratio currently stands at 69.6 percent.

During 1999 and 2000 the bank sold approximately 147 loans totaling \$19,157,073 in the secondary market.

Small Business Lending

Enterprise Bank's 1999, 2000 and year-to-date April 30, 2001 Small Business Loans Registers (SBLRs) were reviewed to determine the amount of credit extended within the delineated assessment area. The bank originated 1,553 small business loans totaling approximately \$131,031,000 during this period. A total of 1,266 loans totaling \$99,472,000 were originated to businesses within the bank's assessment area, representing 81.5 percent by number and 75.9 percent by dollar amount.

Refer to the following table for additional information regarding the bank's small business lending, by both number and dollar amount.

Distribution of Small Business Loans Inside and Outside of the Assessment Area								
Year	Inside				Outside			
	Number of Loans		Dollar in Loans (000s)		Number of Loans		Dollars in Loans (000s)	
	#	%	\$	%	#	%	\$	%
1999	510	82.1	38,269	79.0	111	17.9	10,173	21.0
2000	625	82.2	50,006	76.0	135	17.8	15,780	24.0
2001-Y-T-D	131	76.2	11,197	66.6	41	23.8	5,606	33.4
Total	1,266	81.5	99,472	75.9	287	18.5	31,559	24.1

Source: CRA Data Collection

As depicted in the above table, the percentage of small business loans within the assessment area is considered strong and the level has remained steady for the period under review.

An analysis was conducted to determine the bank's level of small business lending compared to other lenders in the assessment area. The most recent data available for comparative purposes inside the assessment area is for calendar year 1999. Enterprise Bank ranked 7th overall in the number of small business loans originated as well as in market share. Other small business reporters ranking higher than Enterprise Bank include large national and regional institutions that engage in credit card and leasing activities which qualify as small business loans under the regulation.

Further analysis of available comparative data was compiled by MSA for 1999 and 2000. While MSA data is not the same as assessment area data, it can give a strong indication of the lending institutions' activity level within and around its assessment area. The bank's assessment area, with the exception of one community, is located in the Lowell and Fitchburg-Leominster MSAs.

The bank's primary lending area is within the Lowell MSA. Its secondary area of lending concentration is in the Fitchburg-Leominster MSA. Enterprise Bank ranked third in number and first in dollar amount of small business loans originated in the Lowell MSA for both 1999 and 2000. There were a total of 58 and 63 small business lenders reporting originations in this MSA for 1999 and 2000 respectively. The bank's level of originations in the Fitchburg-Leominster MSA resulted in a ranking of fifth and ninth in number respectively for years 1999 and 2000, and third and fifth in dollar amount of originations for those years. There were a total of 36 and 39 small business lenders reporting in this MSA for years 1999 and 2000 respectively.

The above stated rankings demonstrate that Enterprise Bank is among the leading small business lenders in its assessment area.

HMDA-Reportable Lending

Enterprise Bank's 1999, 2000 and year-to-date 2001 Loan Application Registers (LARs) were reviewed to determine the amount of credit extended within the bank's delineated assessment area. During this period, the bank originated 318 HMDA-reportable loans totaling approximately \$45,100,000. Of the total loans, 223 loans (70.1 percent of the number) totaling \$28,469,000 (63.2 percent of the dollar amount) were originated in the bank's assessment area.

Refer to the following table for additional information regarding the bank's HMDA-reportable lending, by both number and dollar amount.

Distribution of Home Mortgage Loans Inside and Outside of the Assessment Area								
Year	Inside				Outside			
	Number of Loans		Dollar in Loans (000s)		Number of Loans		Dollars in Loans (000s)	
	#	%	\$	%	#	%	\$	%
1999	90	68.7	10,681	61.6	41	31.3	6,672	38.4
2000	105	69.1	12,780	58.5	47	30.9	9,056	41.5
2001-YTD*	28	80.0	5,008	84.7	7	20.0	903	15.3
Total	223	70.1	28,469	63.2	95	29.9	16,631	36.8

Source: HMDA LAR, Cra Wiz; *year-to-date through 3/31/2001

As indicated in the above table, the percentage of HMDA loans within the assessment area has increased slightly during the time period under review, from 68.7 percent in 1999 to 69.1 percent in 2000 and increasing to 80.0 percent for the first quarter of 2001. In 1999, the bank ranked 46th in market share out of a total of 434 lenders in the assessment area for HMDA-reportable loans. The top five lenders in the assessment area are large national banks and mortgage companies that are not headquartered within the assessment area.

The overall percentage of lending inside the assessment area, for both residential and small business loans is considered to be strong.

II. Geographic Distribution (Census Tract Income Level)

Enterprise Bank's small business and HMDA reportable lending reflects an excellent distribution among low- and moderate-income census tracts. The following information details the geographic distribution of the bank's loans.

Small Business Lending

Enterprise Bank's small business loans were analyzed to determine the distribution by census tract income level within the assessment area. The following table depicts this distribution.

Distribution of Small Business Loans by Income Category of the Census Tract										
Census Tract Income Level	Aggregate Originations (% of #)		1999		2000		2001-YTD		Total	
	1999	2000	#	%	#	%	#	%	#	%
Low	5.5	5.4	67	13.1	59	9.4	13	9.9	139	11.0
Moderate	12.4	14.0	59	11.6	92	14.7	20	15.3	171	13.5
Middle	60.8	58.1	287	56.3	293	46.9	74	56.5	654	51.7
Upper	21.3	22.5	97	19.0	181	29.0	24	18.3	302	23.8
Total	100.	100	510	100	625	100	131	100	1,266	100

Source: CRA data collection, CRA Aggregate Lending Data

The bank originated 24.5 percent of its small business loans in low and moderate-income census tracts for the time period covered. The loans in low and moderate-income census tracts represented 28.9 percent of the total dollar volume of loans originated by the bank in the assessment area.

The bank's percentage distribution of loans in low-income census tracts significantly exceeded that of the aggregate in both 1999 and 2000. The percentage of originations in moderate-income tracts fell slightly below the aggregate for 1999, but experienced a significant increase in 2000. This distribution indicates a good level of performance in meeting the credit needs of small businesses located in low and moderate-income areas inside the assessment area.

HMDA-Reportable Lending

The HMDA-reportable loans located within the bank's assessment area also were analyzed to determine their location by census tract income level. The assessment area is comprised of 66 census tracts of which 1 or 1.5 percent is designated as NA; 7 or 10.6 percent as low-income; 18 or 27.3 percent as moderate-income; 31 or 47.0 percent as middle-income; and 9 or 13.6 percent as upper-income.

The following table provides a breakdown by number of the bank's HMDA-reportable loans within its assessment area according to census tract income level. The table

shows the loans in comparison to the percentage of owner-occupied housing units in each of the census tract income categories. The table also compares the geographic distribution of the bank's loans by census tract income category to that of all other HMDA-reporting lenders in the assessment area for calendar year 1999. Other HMDA-reporters include bank and non-bank entities such as large national banking companies, other local banks, credit unions and mortgage companies.

Distribution of HMDA Loans by Income Category of the Census Tract										
Census Tract Income Level	% Total Owner-Occupied Housing Units	Aggregate Lending Data (% of #)	1999		2000		2001-YTD*		Total	
			1999							
			#	%	#	%	#	%	#	%
Low	0.9	1.3	1	1.1	25	23.8	1	3.6	27	12.1
Moderate	12.8	11.9	32	35.5	17	16.2	4	14.3	53	23.8
Middle	65.1	65.0	42	46.7	45	42.9	14	50.0	101	45.3
Upper	21.2	21.8	15	16.7	18	17.1	9	32.1	42	18.8
Total	100.	100	90	100	105	100	28	100	223	100

Source: U.S. Census, HMDA LAR, HMDA Aggregate Data, * Through 3/31/2001

As shown in the above table, 35.9 percent of the bank's total loans by number were within low and moderate-income census tracts, which exceeds the percentage of owner-occupied housing units in those areas. The percentage distribution by dollar amount is also considered reasonable with 24.2 percent made in low to moderate-income census tracts. Additionally, the bank's HMDA-lending by number in 1999 is comparable to that of the aggregate in low-income tracts and greatly exceeds the aggregate in moderate-income tracts.

In 1999, Enterprise Bank ranked 16th in market share for lending in low and moderate-income census tracts within its assessment area. The bank originated 33 HMDA-reportable loans in these census tracts, representing 1.43 percent of the market. The first, second and third ranked lenders in low and moderate-income census tracts in the assessment area were Countrywide Home Loans (7.10 percent), Fleet Mortgage Corporation (3.24 percent) and Fleet National Bank (3.17 percent).

Enterprise Bank's overall geographic distribution of small business lending and HMDA-reportable loans reflects an excellent distribution of lending in both low and moderate-income areas.

III. Borrower Characteristics

Enterprise Bank has demonstrated a high level of lending to businesses with annual revenues of less than \$1 million and an adequate level of lending to borrowers of low and moderate incomes.

Small Business Lending

The small business loans originated within the bank's assessment area during this period were analyzed to determine the distribution among businesses of various sizes. The majority of the loans originated during this period were granted to small businesses whose annual revenues are \$1 million or less. The following table depicts the distribution of business loans by revenues of the business.

Distribution of Small Business Loans by Gross Annual Revenues of Business										
Gross Annual Revenues (000s)	Aggregate Lending Data** (% of #)		1999		2000		2001-YTD*		Total	
	1999	2000	#	%	#	%	#	%	#	%
<= \$1,000	55.1	33.8	345	67.7	361	57.8	77	58.8	783	61.9
> \$1,000	44.9	66.2	123	24.1	188	30.1	46	35.1	357	28.2
NA**	0.0	0.0	42	8.2	76	12.1	8	6.1	126	9.9
Total	100	100	510	100	625	100	131	100	1,266	100

Source: CRA Data Collection, * year-to-date through 4/30/2001, ** Aggregate Lending Data >\$1million includes N/A

For the time period covered by this examination, 61.9 percent of the number and 51.2 percent of the dollar amount of loans, went to businesses that had annual revenues of \$1 million or less. Loans made to businesses with annual revenues exceeding \$1 million represented 28.2 percent of the number and 41.2 percent of the dollar amount. Revenue information was not available for the remaining 9.9 percent of the loans.

Aggregate data for 1999 and 2000 indicates that 55.1 percent and 33.8 percent respectively, of the number of small business loans originated in the assessment area were to businesses with annual revenues of \$1 million dollars or less. As shown in the above table, Enterprise Bank substantially exceeded the performance level of the aggregate by originating 67.7 percent and 57.8 percent of its small business loans in 1999 and 2000 respectively to businesses with annual revenues of \$1 million dollars or less.

Additionally, aggregate data for 1999 and 2000 indicates that 41.8 percent and 39.8 percent respectively of the dollar volume of small business loans were originated to businesses with annual revenues under \$1 million. Enterprise Bank outperformed the aggregate in both 1999 and 2000 by originating 60.1 percent and 45.5 percent of the dollar volume to businesses of that size. The year-to-date percentage of originations to businesses with annual revenues of \$1 million dollars or less indicates a high level of performance.

The small business loans originated within the bank's assessment area during the time period were further analyzed to determine the typical loan amount at origination. As indicated below, the vast majority of the loans originated by the bank (79.6%) had original loan amounts of \$100,000 or less. Refer to the following table for more information.

Distribution of Small Business Loans by Loan Size										
Loan Size (000s)	Aggregate Lending Data (% of #)		1999		2000		2001-YTD		Total	
	1999	2000	#	%	#	%	#	%	#	%
< \$100	89.2	93.5	411	80.6	490	78.4	107	81.7	1,008	79.6
\$100 - \$250	6.1	3.7	69	13.5	95	15.2	13	9.9	177	14.0
> \$250 - \$1,000	4.7	2.8	30	5.9	40	6.4	11	8.4	81	6.4
Total	100	100	510	100	625	100	131	100	1,266	100

Source: CRA Data Collection, * year-to-date through 4/30/2001

By dollar amount, 35.9 percent of the loans had amounts less than or equal to \$100,000; 30.2 percent had loan amounts between \$100,000 and \$250,000; and 33.9 percent had loan amounts greater than \$250,000.

As discussed above, the majority of small business loans originated by the bank in its assessment area (61.9 percent by number) were extended to small businesses with gross annual revenues of \$1 million or less. In addition, 79.6 percent by number of the small business loans had original amounts of \$100,000 or less. The volume and performance level when compared to the aggregate indicates a strong willingness on the part of the bank to address and meet the credit needs of small businesses within its assessment area.

Enterprise bank has done an excellent job of addressing the credit needs of small businesses, and is considered a leader in small business lending

HMDA-Reportable Lending

The bank's residential loans were further analyzed to determine the distribution of lending by borrower income level. The borrowers' reported incomes were compared to the median family incomes for the Boston, Lowell and Fitchburg-Leominster Metropolitan Statistical Areas (MSA), depending on the location of the property. The income figures are based on estimated Department of Housing and Urban Development (HUD) information as describe in the Performance Context.

Low-income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate-income is defined as income between 50 percent and 79 percent of the median family income level for the MSA. Middle-income is defined as income between 80 percent and 119 percent of the median income. Upper-income is defined as income equal to or greater than 120 percent of the median income.

The following table shows the number of HMDA-reportable loans to low, moderate, middle and upper-income borrowers in comparison to the percentage of households in the assessment area in each respective income group. The distribution of the bank's loans among various borrower income levels may also be compared to that of all other HMDA-reporting lenders in the assessment area. As previously mentioned, other HMDA-reporters include bank and non-bank entities such as large national banking companies, other local banks, credit unions and mortgage companies. The most recent data available for this analysis relates to calendar year 1999 and is also presented in the following table.

Distribution of HMDA Loans by Borrower Income										
Median Family Income Level	% Total Households	1999 Aggregate Lending Data (% of #)	1999		2000		2001-YTD		Total	
			#	%	#	%	#	%	#	%
Low	5.5	5.5	4	4.5	7	6.7	0	0.0	11	4.9
Moderate	21.6	18.5	13	14.4	27	25.7	4	14.3	44	19.7
Middle	57.2	26.3	28	31.1	16	15.2	4	14.3	48	21.5
Upper	15.7	31.1	28	31.1	24	22.9	11	39.3	63	28.3
NA	0.0	18.6	17	18.9	31	29.5	9	32.1	57	25.6
Total	100	100	90	100	105	100	28	100	223	100

Source: U.S. Census, HMDA LAR, HMDA Aggregate Data

The bank has extended a total of 55 loans to low and moderate-income borrowers representing 24.6 percent of total loans for the assessment area. These loans represent 16.9 percent in dollar amount of originations.

The bank's HMDA-reportable loans to low and moderate-income borrowers are in line with the percentage of total households in those areas. As shown above, the bank's percentage of lending by number to borrowers of low and moderate-income in 1999 is slightly below that of the aggregate. The bank originated 18.9 percent by number of its total loans within the assessment area to borrowers of low and moderate-income, compared to the aggregate with 24.0 percent. The distribution of HMDA-reportable lending by borrower income is good and demonstrates the bank's willingness to lend to borrowers of all income levels, including those of low and moderate-income.

IV. Community Development Lending

Enterprise Bank has initiated a substantial number of community development loans that have had a positive impact on its assessment area. The bank originated 14 community development loans totaling \$3,113,100. During 1999, the bank originated six qualified community development loans totaling \$1,919,000. For 2000 and year-to-date 2001 the bank originated three and four loans totaling \$245,000 and \$949,100 respectively. Through its community development lending efforts, numerous residential units of affordable housing have been financed. Lending activities has also supported the efforts

of several area non-profit organizations, financing their expansion and working capital needs. One loan was made to an acute care, non-profit hospital located in a low-income census tract and which services the needs of the surrounding area. Additionally, Enterprise Bank has assisted in the retention and expansion of jobs within its assessment area, particularly in the City of Lowell, by financing the expansion of current businesses as well as businesses relocating to the Lowell area.

In addition to the above-mentioned community development loans, the bank has committed to two community-development funds for the expansion of local businesses and affordable housing. Specifics of these commitments are given below.

Downtown Venture Fund: In October 2000, Enterprise Bank committed money to this fund in collaboration with seven other financial institutions, the City of Lowell, the Lowell Development and Financial Corporation and the Life Initiative Fund. The purpose of the fund is to make available a pool of funds for business start-ups or expansion within the downtown Lowell area in order to revitalize the economy. Enterprise Bank has committed \$90,000 in the form of a revolving line of credit, with \$22,500 disbursed in 2000 and another \$22,500 disbursed in 2001.

Julian D. Steele Project: The bank has formally committed to participate in this first mortgage loan pool sponsored by the Lowell Development Financial Corporation (LDFC). The loan pool will provide construction financing for 180 newly constructed single family or duplex style homes on the site of the Julian D. Steele Housing project in Lowell. The loan pool will also provide permanent mortgage loans for up to 220 affordable units to be rehabilitated throughout the City of Lowell. All units will be made available to low and moderate-income families. In March 1999, the bank committed to lend \$2.5 million to the project but has since increased its commitment to \$3.2 million when another one of the banks withdrew their commitment. This project was scheduled to begin in 2000, however it is now expected to be underway in 2001.

V. Innovative or Flexible Lending Practices

Enterprise Bank continues to design and participate in a variety of flexible and innovative loan programs aimed at meeting the credit needs of low and moderate-income homebuyers and small businesses. These programs are detailed below.

In-House First Time Homebuyer Program: This program provides first-time homebuyers, who are purchasing one-to-four family dwellings, with homeownership opportunities. The program features higher debt-to-income qualifying ratios (33 and 38 percent), a downpayment requirement as little as 3 percent and homebuyer counseling. The maximum loan amount for this program is \$175,000, but there are no income restrictions. In 1999, and 2000, the bank originated 20 loans totaling \$2,150,650, of which 14 loans totaling \$1,246,450 were made to low and moderate-income borrowers.

Massachusetts Housing Finance Agency (MHFA) First Time Homebuyer Program:

This program was offered in 1999 and 2000 for low and moderate-income borrowers. Interest rates for this program are offered at below market rates. The program's features are similar to the bank's program except the qualifying debt ratios are 30 percent and 36 percent. If the applicants participate in the MHFA approved Homebuyer Counseling Course, then the ratios are increased to 33 and 38 percent. Income limits range from \$64,900 to \$74,600, depending on the number of dependents. For the period 1999 through 2000, the bank originated 10 loans totaling \$971,900, of which 9 were made to low and moderate-income borrowers.

Coalition for a Better Acre's (CBA) Welcome Home Program: This first time homebuyer program is available to low and moderate-income families purchasing a home in the City of Lowell. Enterprise Bank and one other local financial institution participate in this program and are later reimbursed by the Neighborhood Housing Services. The program's features include below market interest rates, higher qualifying debt ratios and a five percent down payment requirement, of which three percent may be a gift. Income limitations and maximum purchase prices are based on the number of dependents and the number of housing units. In 1999 and 2000, Enterprise funded 24 loans totaling \$2,542,600, of which 18 loans totaling \$1,176,106 were made to low and moderate-income borrowers.

Residents First Development Corporation (RFDC): This program offers mortgages with flexible terms to low and moderate-income families living in public housing in the City of Lowell. The bank has agreed to provide financing up to 80 percent of the purchase price or a property at a reduced interest rate and reduced closing cost. Borrowers are provided with second mortgages for up to 15 percent of the purchase price from the Lowell Development Financial Corporation (LDFC) as well as downpayment assistance from the City of Lowell. In most cases the borrowers are only required to provide 1 percent of their own funds. In 1999 and 2000 the bank provided six loans for a total of \$435,500, all to low and moderate-income borrowers.

Small Business Administration (SBA): Enterprise Bank participates in various SBA programs, extending loans under the Low Doc, 7(a) Guaranteed and the Export Working Capital Program, as detailed below.

The Low Doc Loan Program provides up to a 90% SBA guarantee of qualified loans. The only documentation required is a one-page application, which is processed in as little as two or three days. The program focuses primarily on a borrower's character, credit and business experience.

The 7(a) Guaranteed Loan Program is a unique program that provides start-up costs to new small businesses. Under this loan program, the bank funds the entire loan with a guarantee from the SBA. The maximum guarantee percentage (75% to 90%) varies depending on the use of the loan proceeds.

The Export Working Capital Program was developed to help the needs of exporters seeking short-term working capital. The SBA guarantees 90 percent of the principal and interest up to \$750,000.

In 1999, 2000 and year-to-date 2001, the bank originated 42 loans under these three programs totaling \$4,665,750. Of this total, \$2,700,750 was for the Low Doc Loan program, \$1,865,000 was to the 7(a) Guaranteed Loan program and \$100,000 was to the Export Working Capital Program.

Enterprise Bank's use of these flexible and innovative lending programs has benefited the assessment area by assisting low and moderate-income borrowers in obtaining credit as well as benefiting small businesses in the area.

VI. Fair Lending Policies and Practices

Enterprise Bank's fair lending performance was reviewed to determine its conformance to the guidelines established by Regulatory Bulletin 2.3-101, the Division's Community Reinvestment and Fair Lending Policy.

The bank provides employees with training on a variety of fair lending and diversity issues. Enterprise Bank's marketing efforts are carried out primarily through local radio, cable and newspaper advertisements that reach the entire assessment area. In addition, members of the board of the bank are actively involved in the community and use their numerous contacts to help determine the credit needs of the assessment area.

The bank offers different types of flexible products that are effective in providing credit to those who would not qualify under conventional lending standards. Please refer to Section V. "Innovative or Flexible Lending Practices" under the lending test for a list of flexible products. Additionally, the bank has participated in numerous educational seminars that are detailed in the service test section of this report

Enterprise Bank has established a second and third review system for all credit applications that are not approved. The bank has also established an internal control procedure. The compliance officer monitors for compliance with various fair lending laws such as the Equal Credit Opportunity Act, Home Mortgage Disclosure Act and the Community Reinvestment Act.

Enterprise Bank refers all loan customers whose home loan is delinquent to the appropriate credit counseling services available in the area. A form containing the names, addresses and phone numbers of various counseling agencies is mailed to the borrower.

The bank has a staff of 235 employees of which 25 are minorities. In addition, the bank employs numerous individuals who speak different foreign languages.

Minority Application Flow

A review of residential loan applications was conducted in order to determine the number of applications the bank received from minorities. In 1999 and 2000 the bank received 234 residential loan applications from within its assessment area. During this period, 22 applications, or 9.4 percent, were received from minorities. Refer to the following table for further details.

MINORITY APPLICATION FLOW*								
RACE	AGGREGATE DATA 1999		BANK 1999		BANK 2000		BANK TOTAL	
	#	%	#	%	#	%	#	%
Native American	62	0.2	0	0.0	1	0.8	1	0.4
Asian	721	2.9	6	5.6	5	3.9	11	4.7
Black	256	1.0	0	0.0	0	0.0	0	0.0
Hispanic	458	1.8	3	2.8	4	3.1	7	3.0
Joint Race	256	1.0	0	0.0	0	0.0	0	0.0
Other	257	1.0	0	0.0	3	2.4	3	1.3
Total Minority	2,010	8.0	9	8.4	13	10.2	22	9.4
White	15,504	62.1	86	80.4	91	71.7	177	75.6
NA	7,456	29.9	12	11.2	23	18.1	35	15.0
Total	24,970	100.0	107	100.0	127	100.0	234	100.0

*Source: PCI Services, Inc., CRA Wiz Software.

The bank's minority application flow for this period was compared with the racial make-up of the assessment area and 1999 aggregate data for all HMDA reporters within the assessment area. The comparison of this data assists in deriving reasonable expectations for the institution's minority application flow. According to 1990 Census Data, the bank's assessment area contained a total population of 340,004 individuals, of whom 11.7 percent are minorities. During the two year period reviewed the bank extended 9.4 percent of its HMDA-reportable loans to minority borrowers. Aggregate information indicated that, of the 24,970 HMDA-reportable applications received within the assessment area in 1999, 8.0 percent were from minorities, compared to the bank with 8.4 percent. Based on this information the bank's minority application flow is reasonable.

VII. Loss of Affordable Housing

The bank's participation in community development projects and government lending programs, along with its development of credit products with flexible lending criteria has assisted low and moderate-income individuals to remain in their neighborhoods.

CONCLUSION (Lending Test)

Enterprise Bank's performance under the lending test reflects an excellent level of responsiveness to the credit and community development needs of its assessment area. The bank's small business lending and HMDA-reportable lending performance, overall, was considered to be very strong. The bank demonstrates strong performance in lending to borrowers of different income levels and businesses of different sizes. The bank also demonstrated a good distribution of lending among geographies of different income levels. The level of community development lending was considered to be significant. The bank offers a number of flexible lending programs designed to assist low and moderate-income borrowers and small businesses. Finally, the bank's fair lending policies and practices were good.

INVESTMENT TEST

As defined under the CRA regulation, a qualified investment is a lawful investment, deposit, membership share or grant that has community development as its primary purpose. Community development includes affordable housing for low and moderate-income individuals, community services targeted to low and moderate-income individuals, activities that promote economic development by financing small businesses or small farms, and activities that revitalize or stabilize low and moderate-income geographies. In recognition of the many legal limitations on bank investments, and the long-term nature and complexity of many community development investments, the CRA regulation allows some reasonable consideration for the entire bank portfolio of qualified investments not just those made since the previous CRA examination.

Enterprise Bank's investment performance is considered to meet high satisfactory standards. The bank's qualified investments consist solely of grants to charitable organizations.

Charitable Contributions

Enterprise Bank has contributed to organizations that provide education and training, neighborhood revitalization, youth programs, and health and human services for individuals in need by way of corporate donations, grants, scholarships, etc. During the examination period the bank granted a total of \$213,516 in qualified investments: \$129,850 in 1999; \$59,086 in 2000; and \$24,580 in year-to-date 2001. The following are examples of Enterprise Bank's qualified investments.

Greater Lowell / Community Foundation: The bank made a substantial contribution to enhance the Greater Lowell/Community Foundation endowment fund to celebrate Enterprise Bank's ten-year anniversary. This foundation was created in 1997 at which time which an endowment fund was established to benefit people, institutions and

communities primarily in the greater Lowell, Northern Middlesex and Merrimack Valley regions. Enterprise Bank specified that the funds generated by its donation be used to support local non-profit organizations in the bank's assessment area. In 1999, the Foundation made 22 grants of which 13 were made to organizations that target low and moderate-income individuals or areas. In 2000, the Foundation made 40 grants of which 18 were targeted to low and moderate-income individuals or areas.

The Spindle City Corps: This summer youth program is designed to provide low-income youth with employment opportunities.

The Merrimack Valley Housing Partnership: This program is designed to help low and moderate-income families locate affordable housing and obtain mortgage financing.

The Alternative House: This program provides affordable housing for women and children affected by domestic violence.

The Lowell Plan: This organization consists of public and private interests seeking to promote the economic development and revitalization of the City of Lowell.

The Paul E. Tsongas Arena: This hockey and sports arena is in low-income area near downtown Lowell. The arena has continued to bring jobs to the area and helped to revitalize the downtown.

The Coalition for a Better Acre: This is a non-profit community development organization organized to promote economic development and affordable housing in the Acre section of Lowell.

Consumer Credit Counseling Services of Massachusetts: This non-profit organization provides financial counseling and educational programs for families and individuals. The bank contributes to this organization annually.

CONCLUSION (Investment Test)

Enterprise Bank participates in qualified investments through the provision of qualified grants to area non-profit organizations and agencies that assist in servicing the needs of low and moderate-income families and individuals as well as promoting the economic development of its assessment area. The bank's level of qualified investments exhibits a very good level of responsiveness to community economic development needs.

SERVICE TEST

The Service Test evaluates an institution's record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of an institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. Enterprise Bank is rated outstanding in this category.

RETAIL BANKING SERVICES

Distribution of Branches

Enterprise Bank and Trust Company is headquartered at 222 Merrimack Street, Lowell, Massachusetts. The bank operates eight other full service branch offices located in Billerica, Chelmsford, Dracut, Drum Hill (Chelmsford), Leominster, North Billerica, Tewksbury and Westford. The bank also operates an Investment Management and Trust Company located at its main office on 222 Merrimack Street, Lowell and a Mortgage Center, which is located at 27 Palmer Street, Lowell. The bank's main office in Lowell is located within a low-income census tract. The bank's Leominster branch office is located within a moderate-income census tract. The bank's Billerica, Dracut and North Billerica branch offices are located within middle-income census tracts. The bank's Chelmsford, Drum Hill, Tewksbury and Westford branch offices are located within upper-income census tracts.

Record of Opening and Closing of Branches

The bank has developed a formal Branch Office Opening and Closing Policy. The policy details the procedures the bank will follow before opening or closing a branch office. No branches have been closed since the previous examination. The bank opened three branches during the current exam period. In 1999, the bank opened the Westford branch office. In 2000, the bank opened the Drum Hill (Chelmsford) and North Billerica branch offices.

Alternative Retail Banking Services

Branch hours are considered convenient and comparable to other institutions, and services of the bank appear sufficient to meet the needs of the assessment area. The bank's offices are open from 9:00AM to 4:00PM Monday through Wednesday, and all have extended hours on Thursdays and/or Fridays and are open 9:00AM to 12:00 Noon on Saturdays. There are ATM machines located at all branch offices and at Lowell General Hospital. An ATM that dispenses cash is located at the Nashoba Valley Ski Area. The bank's thirteen ATMs are all linked to the CIRRUS and NYCE networks. Nine of the ATMs are also linked to the SUM network.

The bank operates a telephone call service which is called the Telephone Banking and Maximum Service (800 line). The Telephone Banking is a free 24-hour automated telebanking line and the Maximum Service is a customer service telephone call service.

Callers can obtain information on products and services as well as referrals to departments within the bank.

The bank has an Internet website for home banking (www.EBTC.com) that includes information on all bank products, conducting banking transactions, bill payment and e-mail communication with the bank.

The bank offers check-cashing services to public assistance recipients within its banking area and also provides ATM access for Electronic Benefits Transfer (EBT) cards at no charge. This service to public assistance recipients is available whether they are customers or not.

COMMUNITY DEVELOPMENT SERVICES

The CRA regulation defines a community development service as a service whose purpose is primarily community development and is related to the provision of financial services. Through the participation of bank management and its employees the bank is involved in providing support to local community development programs and projects. Through these involvements, the bank's staff lends their technical expertise, experience and judgment to these organizations. Detailed below are Enterprise Bank and Trust Company's qualified community development services.

Involvement in Community Organizations

Acre Family Day Care - This is a non-profit, economic development agency. Acre Family Day Care helps women of predominantly low and moderate-income to build sustainable home-based child care businesses through which they can earn a living wage, while at the same time providing consistent, culturally-sensitive care to the children of Greater Lowell. The Child Development Association (CDA) certification training includes small business development. An Assistant Vice President has been Advisor to the Board of Directors since 2000.

Billerica Finance & Development Corporation (BFDC) - This is a non-profit organization established to assist small businesses within the Town of Billerica in obtaining credit from various funding sources. The BFDC will either guarantee or pledge collateral for a loan, which might not otherwise be possible for the creditor to make. Businesses targeted are start-ups and existing small business companies in need of working capital or gap financing. The Senior Vice President/Chief Commercial Lender has served on an ongoing basis as President of the Executive Board of Directors.

Cambodian American League of Lowell, Inc. - This non-profit, economic action agency has initiatives which include promoting the development and growth of primarily Southeast Asian small businesses, and supporting homeownership, business education

and job creation/training programs targeting the Southeast Asian community. During the current examination period, the Cambodian League developed 24 units of affordable housing within the Lowell area. A Senior Vice President serves on the Board of Directors and Finance and Building Committee. A Senior Vice President serves as a Homebuyer Councilor. A Commercial Lending Officer serves as Micro-enterprise lending committee member and instructor.

Center City Committee - This is a publicly supported non profit organization which meets weekly for informal discussions regarding the central business district in Lowell in order to exchange information and provide volunteer support to projects that will improve the quality of life in the downtown area and encourage economic development. A Vice President serves as Treasurer. The Chairman/CEO of the Bank serves on the Board of Directors. An Assistant Vice president serves on the Board of Directors.

Centerville Neighborhood Partnership (CNP) - CNP is a coalition of residents, property owners and business people of the Centerville section of the City of Lowell. The Partnership organizes neighborhood residents around the issues of affordable housing, economic development, public safety, youth education and recreation, and, in general, the revitalization of the Centerville Neighborhood of Lowell. A Vice President serves on the Board of Directors.

Coalition for a Better Acre (CBA) - CBA is a non-profit community development corporation that provides homeownership opportunities to first time homebuyers in Lowell's Acre section. The organization was developed to help address the demand for affordable home mortgage products targeted to minority and low-income residents. The Chairman/CEO is Advisor to the Corporation.

Community Teamwork Inc. - This is a community action agency for Greater Lowell as well as Chelmsford, Billerica, Tewksbury, Westford, Dracut and Tyngsboro. Its mission is to help low and moderate-income individuals achieve economic independence. One of Community Teamwork's objectives is met through the implementation of the Small Business Assistance Center in participation with Middlesex Community College. The Chairman/CEO serves as a member of the Policy Advisory Council to the Executive Director.

Girl's Inc. - Girl's Inc. is a national nonprofit youth organization which provides innovative programs targeted to girls. Programs include math and science education, pregnancy and drug abuse prevention, media literacy, economic literacy, adolescent health, violence prevention, and sports participation. The majority of Girls Inc. centers are located in low-income areas and provide a weekly average of 30 hours of after-school, weekend and summer activities. A Senior Vice President and two Vice Presidents taught several Money Management Classes. A Vice President serves on the Board of Directors.

Julian D. Steele Project - The Lowell Housing Authority submitted a proposal for major renovation of the Julian Steele Housing Project. The proposal will relocate the current tenants, demolish the site, and rebuild new single family and duplex homes for low and moderate-income families. A Senior Vice President is on a subcommittee that drafted the parameters of the \$20 million loan pool.

Leominster Fair Housing - The Fair Housing Committee is a volunteer group which promotes community awareness of fair housing, distributes fair housing information to the community and develops actions to overcome the effect of impediments to fair housing. A Branch Manager serves as a committee member and volunteer.

The Lowell Development and Finance Corporation (LDFC) - The LDFC is a quasi public lending agency that provides below market, secondary financing for commercial, industrial, and residential development. In addition, the LDFC works in collaboration with other community development organizations (for example, the Coalition For a Better Acre and the Merrimac Valley Housing Partnership) to support homeownership and the development of affordable housing. A Senior Vice President serves on the Board of Directors.

The Lowell Plan - This is a private, non-profit, economic development corporation, committed to revitalizing and stabilizing the City of Lowell. The organization receives support from both the public and private sectors. A Vice president serves on the marketing committee, the Chairman/CEO serves on the Board of Directors and the Executive Vice President also serves on the Board of Directors as an Ex Officio member.

North Central CRA Coalition - This Coalition is a group of local community organizations, financial institutions, and city representatives that was established in 1990 to help meet the needs of low- and moderate-income individuals. Programs established by the Coalition address the housing, economic development, and basic banking needs of the area residents. An Assistant Vice President serves as a Committee Member.

Residents First Development Corporation - The RFDC was established by the Lowell Housing Authority to develop and construct affordable housing for Lowell Housing Authority tenants. RFDC gives qualified tenants the opportunity to purchase new homes at affordable prices. A Senior Vice President serves on the Board of Directors and as Treasurer.

Spanish American Center, Inc. - This is a non-profit economic development corporation located in Leominster to serve Spanish speaking residents living in the North Central area of Massachusetts. The Center assists in overcoming language

barriers and outreach to community services including 26 different programs. A Vice President serves as Co-Chairman of Fundraising.

Twin Cities Community Development Corporation - The Twin Cities CDC is a non-profit, economic development corporation that serves the needs of low- and moderate-income individuals within the Fitchburg and Leominster areas. The CDC sponsors First Time Homebuyer Seminars on a regular basis, provides affordable housing, sponsors seminars to assist homebuyers with housing concerns and administers a lead paint removal program. The Twin Cities CDC is in regular contact with local financial institutions and mortgage companies and is listed by HUD under its foreclosure prevention program. A Vice President serves as a member of the Economic Development Loan Committee.

United Way of Merrimack Valley - The bank regularly participates in the United Way's "Loaned Executive Program" whereby employees are assigned to the United Way to assist with fundraising activities. A Senior Vice President serves as Chairperson of the Lowell Division. The President/Chief Operating Officer/Chief Lending Officer serves as volunteer for the Resource Development Committee. An Assistant Vice President serves on the Leadership Committee. A Vice President serves as Chair of the Commercial Division and on the Audit Committee overseeing fundraising. A bank representative serves on the Venture Grant Committee. A bank representative serves on the Leadership Committee.

In addition to specific community development services provided by officers of the bank, officers and employees regularly select a worthy cause to support through human or financial resources. Although not all choices meet the technical requirements to qualify as a community development service, a large percentage of the involvement includes activities that are aimed at revitalizing or stabilizing various low and moderate-income areas. Other organizations that officers and employees lend their technical expertise include civic, charitable, religious and fraternal organizations located throughout the assessment area.

Educational Seminars and Services

The bank participates in Project Genesis, a series of comprehensive homebuyer training seminars offered in the Merrimack Valley of northeastern Massachusetts. The seminars are offered in English, Spanish and Cambodian. Issues included in these seminars include: an overview of the home purchase process, applying and qualifying for mortgages, legal aspects of purchase and sales agreements, professional home inspections, accessing down payment assistance/rehab loans and landlord/tenant counseling. The seminars are offered 20 times per year.

The bank participated with the Merrimack Housing Partnership in conducting several homebuyer seminars. The seminar subjects included: "Housing Seminar", "Home

Improvement Seminar", "Individual Counseling" and "Refinancing and Home Equity Information."

Bank representatives have participated in financial literacy presentations with several social agencies and nonprofit corporations. The subjects of presentations included: Basic Banking Needs, Small Business Seminars, Money Management, Careers in Banking and Credit Maintenance.

CONCLUSION (Service Test)

Officers and employees of Enterprise Bank exhibit a very high level of community development service. The lending of their financial expertise to area community organizations has had a substantial positive impact on the delivery of retail services to low and moderate-income individuals as well as the economic development of its assessment area.

APPENDIX A

SCOPE OF EXAMINATION

Enterprise Bank and Trust Company has designated two separate assessment areas. One is comprised of nine towns located in the Boston MA-NH and Lowell MA-NH Metropolitan Statistical Areas (MSAs). The other assessment area is comprised of two towns located in the Fitchburg-Leominster Metropolitan Statistical Area (MSA).

The institution's CRA performance was reviewed using the large bank examination procedures. The time period covered in this examination was January 1, 1999 through March 31, 2001 for HMDA reportable lending, and through April 30, 2001 for small business lending.

All loans recorded on the bank's 1999, 2000 and year-to-date 2001 HMDA LAR were included in the evaluation of the bank's lending performance. In addition, all loans on the 1999, 2000 and year-to-date 2001 Small Business Loan Register were included in the evaluation of the bank's lending performance. A review of the bank's community development lending, investment and service activities were also evaluated from available reports and registers.

Internal analysis generated by management was reviewed during the examination, as was comparative data for the assessment area obtained from PCI, CRA WIZ, and other aggregate data sources. The examination also included a review of the bank's public file, which contained no negative CRA related comments.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

ENTERPRISE BANK AND TRUST COMPANY

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **July 10, 2001**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

_____	_____
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A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 20 _____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that assessment area shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.

